

BRYAN J. BAPTISTE
Mayor



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COUNTY OF KAUAI

DEPARTMENT OF FINANCE

News Release

EMBARGO

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Mayor asks Council to cap homeowner property taxes at 2 percent

Temporary measure will help those with a Permanent Home Use (PHU) exemption

LĪHU'E – In a move that will save qualified taxpayers millions of dollars this year, Mayor Bryan J. Baptiste has proposed a cap of 2 percent for PHU exemption filers in his proposed fiscal year 2006 (FY06) budget. The budget was submitted to the County Council today.

"We need to provide immediate relief to the people of Kaua'i," stated the Mayor. "This is a temporary measure that will help us address escalating valuations while the Council deliberates on a long-term and comprehensive solution for reasonableness and equity in property taxation."

The Mayor indicated the move takes an important step in addressing the debate over property taxes, which has been brewing since the November election, and builds upon the County Council's earlier move to reduce the cap to 6 percent. Combined, the two reduction measures will save qualified taxpayers \$7.3 million this year.

"The Administration and the Council have always agreed that relief was necessary, and we are committed to following a process that is legal and provides for significant public input to property tax reform," said the Mayor.

(more)

The Mayor's budget proposal totals \$124.9 million, which includes \$10.5 million to be set aside for deliberations between the Council and the Administration during the budget process.

"We look forward to working with the Council to find the best use for this money – whether it be further real property tax relief, addressing critical infrastructure needs that otherwise wouldn't be met or a combination of both," stated the Mayor.

"This budget reflects a balancing act of offsetting increases in fixed costs with a 'hold the line' attitude on those costs we can control," the Mayor said.

Of the \$124.9 million, \$114.4 million has been earmarked for County operations next year. Of that \$114.4 million, more than \$10 million is attributable to escalation in fixed costs and an increase in special fund expenditures.

"Our departments have been challenged to do more with less. This budget includes a very small percentage of new projects or expenditures – only those deemed to satisfy a critical need, such as additional police dispatchers, lifeguards and park caretakers," stated the Mayor.

New expenditures proposed for next year also include funding for an update of the Comprehensive Zoning Ordinance and upgrade of the County's computer system to allow greater access for the public online for services such as bill payment and status of plans and permits.

The full text of the Mayor's budget message is attached. Copies of the budget may be reviewed in the Office of the County Clerk, Room 206 of the Historic County Building.

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